

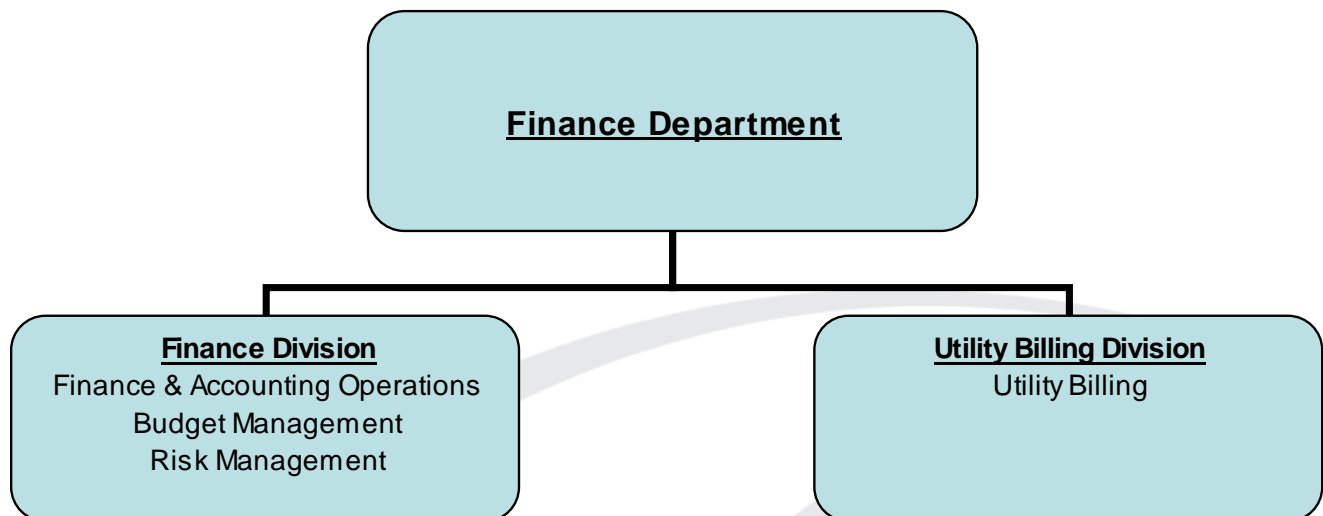
Finance

[010-2510] [650-5750]

Appropriations Summary

	04/05 Actuals	05/06 Actuals	06/07 Current Budget	06/07 Estimated Year-End	07/08 Proposed Budget
Salaries	999,203	1,057,371	1,167,121	1,109,457	1,182,693
Supplies & Services	184,223	207,234	230,631	209,697	229,456
Capital Outlay	-	4,656	-	-	-
Debt Services	292	-	-	-	-
Internal Service	104,907	102,096	127,125	127,125	151,023
Transfers Out	-	-	-	-	-
Project Expenditure	-	-	-	-	-
TOTAL BY CATEGORY	1,288,624	1,371,357	1,524,877	1,446,279	1,563,172

010	2510	FINANCE	895,496	942,628	997,219	984,948	1,076,139
650	5750	UTILITY BILLING	393,129	428,729	527,658	461,331	487,033
TOTAL BY PROGRAM			1,288,624	1,371,357	1,524,877	1,446,279	1,563,172



CITY OF MORGAN HILL • FY 2007/08 • OPERATING AND CAPITAL BUDGET

- The City received awards from the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) for achieving the highest standards in governmental accounting and financial reporting for our FY 2005/06 Comprehensive Annual Financial Report
- The City received the GFOA and CSMFO awards for excellence in budgeting for our FY 2006/07 budget
- Hired a consultant that produced a Sewer and Water Rate and Connection Fee Study that is to be discussed and considered by the City Council
- Determined that the City does not face a significant GASB Statement 45 "Other Post Employment Benefits" liability and that the City should therefore hold off hiring an actuary until fiscal year 2008/09
- Implemented "positive pay" procedures with the City's bank to prevent fraudulent changes to checks that the City writes
Implemented an alternative process for the deposit of checks, received from the City's customers, that will save staff time and will speed up the deposit of checks into the City's bank account
- Issued \$5 million in lease revenue bonds to partially finance the construction of the new Library and the construction of the Development Services Center within the old library building
- Developed a comprehensive schedule and financing mechanism for replacing major building components and for funding these replacements
- Working with YMCA staff, developed and implemented cash handling and purchasing procedures for the Centennial Recreation Center

Finance [010-2510]

2007/08 Work plan

- Develop five year revenue, expenditure, and fund balance projections for all funds
- Update development impact fees and development processing fees by hiring and working with a consultant to produce recommendations to ensure full cost recovery
- Evaluate feasibility of upgrading Budget and Payroll financial software and implement these improvements, if advisable.
- Issue significant dollar Redevelopment Agency tax increment bonds, currently estimated at over \$13 million for FY 2007/08, to finance major capital projects

FY 2007/08 ACTIVITY GOALS

- Work with all departments to improve the performance measurement program contents and process

FINANCIAL COMMENTS

Staff will be exploring with the Financial Policy Committee, the benefits and risks associated with 1) issuing pension obligation bonds to refinance the City's unfunded actuarial pension liability; and 2) contracting with an investment advisory firm for investment advice.

PERFORMANCE MEASURES

Measure		FY 04/05	FY 05/06	Estimated FY 06/07	FY 07/08
Number of invoices processed	Goal		13,794		12,082
	Projected or Actual	11,253	13,484	11,509	
Percent of invoices paid by due date	Goal		77.0%	80.0%	82.0%
	Projected or Actual	82.0%	86.0%	85.0%	
Average time (in minutes) to process an invoice	Goal		6.79		7.15
	Projected or Actual	8.31	6.95	7.51	

Finance [010-2510]

	04/05	05/06	06/07	06/07	07/08
	Actuals	Actuals	Current Budget	Estimated Year-End	Proposed Budget
41100 SALARIES - GENERAL	515,348	532,972	569,423	566,707	640,260
41210 SALARIES - ELECTED/APPOINTED	2,409	2,409	2,400	2,400	2,400
41270 SALARIES - PART-TIME	42,487	26,765	-	-	-
41271 SALARIES - PART-TIME TEMP	-	-	10,400	-	-
41320 SALARIES - OTHER PAYOUT	11,002	11,714	15,000	22,000	15,000
41490 OVERTIME - GENERAL	7,489	3,294	4,500	2,200	4,500
41560 UNEMPLOYMENT INSURANCE	1,044	2,183	1,860	1,771	-
41620 RETIREMENT - GENERAL	68,955	93,895	113,372	96,071	112,298
41690 DEFERRED COMPENSATION	14,252	14,890	13,877	14,997	16,070
41700 GROUP INSURANCE	54,638	60,464	68,278	68,362	76,604
41701 MEDICARE	6,521	6,443	9,125	6,584	9,612
41730 INCOME PROTECTION INS	7,172	7,796	7,719	7,396	8,041
41760 WORKERS COMP	23,667	17,453	21,667	23,531	11,412
41799 BENEFITS	1,927	2,334	1,920	2,798	3,134
41900 CONTRACT LABOR	-	-	-	18,906	-
Salaries Total	756,911	782,610	839,541	833,723	899,331
42214 TELEPHONE	5,887	5,947	6,100	5,900	6,100
42231 CONTRACT SERVICES	28,183	46,306	37,300	36,250	37,120
42233 AUDIT FEES	12,950	13,409	15,000	14,007	15,450
42236 BANK CARD SERVICE FEES	224	1,703	675	300	300
42244 STATIONERY & OFFICE SUPPLIES	17,745	16,638	20,615	16,350	18,000
42245 COMPUTER HARDWARE-NON CAPITAL	4,200	9,884	2,000	-	9,200
42248 OTHER SUPPLIES	51	-	-	500	-
42250 ADVERTISING	638	381	675	3,200	675
42252 PHOTOCOPYING	778	484	900	900	900
42254 POSTAGE & FREIGHT	6,649	5,415	6,500	5,780	6,200
42257 PRINTING	1,513	1,530	1,750	1,750	1,750
42261 AUTO MILEAGE	206	234	300	300	300
42408 TRAINING & EDUCATION	1,945	1,676	6,000	6,000	6,000
42415 CONFERENCE & MEETINGS	740	2,117	3,000	3,000	3,000
42423 MEMBERSHIP & DUES	295	675	750	750	750
42435 SUBSCRIPTION & PUBLICATIONS	1,336	603	550	550	550
42526 MAINT - AUTO/TRUCKS	(105)	-	-	-	-
42531 MAINT - FURNITURE/OFFICE EQUIP	-	-	150	275	300
Supplies Total	83,236	107,003	102,265	95,812	106,595
44995 SERVICE FEES	292	-	-	-	-
Debt Total	292	-	-	-	-
45003 GENERAL LIABILITY INSURANCE	2,885	2,973	2,541	2,541	2,524
45004 BUILDING MAINT - CURRENT SERVICES	36,901	34,535	29,381	29,381	37,140
45005 BUILDING MAINT - FUTURE REPLACEME	-	-	6,012	6,012	3,425
45008 EQUIPMENT REPLACEMENT	-	-	-	-	-
45009 INFO SYSTEM SERVICES	15,271	15,506	17,479	17,479	27,124
ISF Total	55,057	53,014	55,413	55,413	70,213
Finance Total	895,496	942,628	997,219	984,948	1,076,139

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Measure		FY 04/05	FY 05/06	Estimated FY 06/07	FY 07/08
Staff hours per year processing utility bills	Goal		4,680		4,600
	Projected or Actual	4,680	4,680	5,000	
Regular utility bills processed per year	Goal		140,800	142,000	145,000
	Projected or Actual	138,441	139,605	144,696	
Percent of bills error free and on time	Goal		99.9%	99.9%	99.9%
	Projected or Actual	99.9%	99.9%	95.0%	
Average cost to produce and process a bill	Goal				\$ 3.34
	Projected or Actual	\$ 2.84	\$ 3.07	\$ 3.19	

Utility Billing [650-5750]

	04/05 Actuals	05/06 Actuals	06/07 Current Budget	06/07 Estimated Year-End	07/08 Proposed Budget
41100 SALARIES - GENERAL	123,194	190,308	219,053	175,484	209,630
41270 SALARIES - PART-TIME	56,215	14,087	-		
41271 SALARIES - PART-TIME TEMP	-	-	20,800		
41320 SALARIES - OTHER PAYOUT	2,020	2,664	2,500	8,558	3,500
41490 OVERTIME - GENERAL	271	239	350	200	200
41560 UNEMPLOYMENT INSURANCE	601	1,405	948	709	-
41620 RETIREMENT - GENERAL	22,656	33,014	41,919	29,929	38,761
41690 DEFERRED COMPENSATION	4,303	3,951	3,634	3,679	4,072
41700 GROUP INSURANCE	19,627	17,389	21,745	18,105	17,079
41701 MEDICARE	2,674	2,405	3,519	2,367	3,102
41730 INCOME PROTECTION INS	2,567	2,792	3,144	2,615	2,670
41760 WORKERS COMP	7,683	5,900	9,488	7,874	3,714
41799 BENEFITS	482	607	480	624	634
41900 CONTRACT LABOR	-	-	-	25,590	-
Salaries Total	242,292	274,761	327,580	275,734	283,362
42214 TELEPHONE	1,821	1,986	2,200	1,880	1,880
42231 CONTRACT SERVICES	32,499	30,189	41,650	37,831	39,600
42236 BANK CARD SERVICE FEES	16,080	15,141	22,000	18,704	19,000
42244 STATIONERY & OFFICE SUPPLIES	2,120	2,803	2,750	2,000	2,000
42245 COMPUTER HARDWARE-NON CAPITAL	1,010	5,513	1,500	100	800
42248 OTHER SUPPLIES	46	-	-	-	-
42250 ADVERTISING	249	-	-	-	-
42252 PHOTOCOPYING	4	42	200	200	200
42254 POSTAGE & FREIGHT	44,710	42,522	52,466	49,920	53,981
42257 PRINTING	1,966	1,720	2,000	1,500	2,000
42261 AUTO MILEAGE	28	215	100	100	100
42408 TRAINING & EDUCATION	-	100	3,000	1,500	3,000
42531 MAINT - FURNITURE/OFFICE EQUIP	455	-	500	150	300
Supplies Total	100,988	100,231	128,366	113,885	122,861
43840 COMPUTER EQUIPMENT	-	4,656	-	-	-
Capital Total	-	4,656	-	-	-
45003 GENERAL LIABILITY INSURANCE	1,346	1,399	1,165	1,165	1,033
45004 BUILDING MAINT - CURRENT SERVICES	13,835	12,949	11,015	11,015	13,925
45005 BUILDING MAINT - FUTURE REPLACEME	-	-	2,254	2,254	1,284
45009 INFO SYSTEM SERVICES	6,787	6,892	9,489	9,489	14,724
45010 GF ADMIN	27,881	27,842	47,789	47,789	49,844
ISF Total	49,849	49,081	71,712	71,712	80,810
Utility Billing Total	393,129	428,729	527,658	461,331	487,033